For the schemes being implemented with the co-operation and due permission of the Centre, the team of the Central Water Commission keeps on visiting there and engineers also keep on coming here and their work is almost going on smoothly. During a talk with the hon'ble members of UP last year, the question of the schemes started by the UP Government without the permission of the Central Government had arisen. At that time, I had stated that a team of the Central Water Commission would be sent there who would study and suggest ways to the UP Government to ensure proper utilisation of funds. Accordingly, we sent a team of the Central Water Commission in November 1991 which, first of all, decided the modalities for doing the work and on that basis, we have again started the work and wherever the deficiencies exist, they are being removed.

[English]

Mines and Minerals (Regulation and Development) Act, 1957

*561. SHRI ANIL BASU: Will the Minister of MINES be pleased to state:

(a) whether the Government propose to amend the Mines and Minerals (Regulation and Development) Act, 1957;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) whether it is also proposed to amend the Mining Leases (Modification of Terms) Rules, 1956 so as to bring minor minerals within the purview of such rules; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI BALRAM SINGH YADAV): (a) to (e). A statement is laid on the Table of the House.

STATEMENT

(a) to (e). The Government is considering amendment of the Mines and Minerals (Regulation and Development) Act, 1957 taking into account the proposals received from various State Governments/Union Territories, Federation of Mining Associations and the Mining Industry. Amongst the proposals being considered are changes in the period of mining leases (ML)/prospecting licences (PL), revision of the First Schedule of the Act which specifies the list of minerals in respect of which prior approval of Central Government is required before grant or renewal of ML/PL, facilitating amalgamation of mining leases and mining of minerals underlying the ocean, besides amendments to remove any ambiguity in the Act and make its implementation more effective.

2. Amendement of the Mining Leases (Modification of Terms) Rules 1956 is also under consideration. The objective is to bring minor minerals within the purview of such rules so that the terms of leases of minor minerals granted before the commencement of the Mines and Minerals (Regulation and Development) Act, 1957 can be suitably modified.

SHRI ANIL BASU: This is a very sensitive question so far as the powers of the States are concerned. I find that Central Government has not made its position clear. While discussing on the cess and other taxes on Mineral Validation Bill last week, the hon. Minister himself said "I would like to submit that Mines and Minerals Development Act is in itself a comprehensive Act and there is no need to amend it." And today within a week in the reply, Government has stated that it is considering amendment of

the Mines and Minerals Act, 1957 Six days before the hon Minister said that the Act was not going to be amended and after six days in the same House, the hon Minister is telling that Government is considering amendment of the Act "Amongst the proposals being considered are changes in the period of mining leases, prospecting licences, revision of the First Schedule of the Act" etc This is what the hon Minister has said in his reply

I would like to know from the hon Minister whether the States will be benefited through this amendment which Government contemplates to bring forward to this House and, if so, in what areas the States will benefited by the proposed amendment

SHRI BALRAM SINGH YADAV Mr Speaker, Sir, the hon Member wants to know the areas in which the State Governments will be benefited It has been the demand of the State Governments since long that the minor minerals including granite and marble should not be included in the list of major minerals We have taken a decision about it and I had said in the Rajya Sabha that considering the feelings of the State Governments, we did not want to bring the minor minerals within the purview of major minerals of the Central Government

[*English*]

SHRI ANIL BASU Royalty from the minerals is one of the main sources of revenue of the State Governments Some of the State Governments imposed cesses on minerals but later on the Supreme Court and High Court has struck down the cess on the ground that the State Government has got no such power and that is why the Minerals Validation Bill was brought before this House and it was enacted by this House last week

This royalty is a very burning question States are demanding a higher rate of royalty which is being denied The rates of royalty as per the present rules should be reviewed after four years but that has not been done since last eight or nine years

In view of the fact that the royalties are assessed on quantity basis, not on price basis, the States are demanding that they should be based on prices One of the reasons why the Central Government is refusing is that the prices of minerals are fluctuating So, the royalty cannot be given on prices of minerals which fluctuate

May I know from the hon Minister whether Government is considering fixing royalties on prices on advalorem basis instead of on quantity basis I would also like to know whether they will be going to review the royalty aspect whether they are going to take a decision on the royalty on minerals

[*Translation*]

SHRI BALRAM SINGH YADAV The rates of royalty on minerals have been reviewed recently As far as the fixation of royalty on the basis of prices is concerned, it is not possible Prior to 1967, its rates were fixed on the basis of prices Later on, a study group was formed In that every member's opinion was taken into account and keeping in mind the practical difficulties, the study group decided in 1967 that the rates of royalty should be fixed on the basis of weight If the royalty rates are fixed on the basis of prices, then the prices of minerals will be different in different States That is why a decision has been taken on national level There are many minerals which fetch competitive prices in the international market and are exported by us Therefore, it is not wise to fix rates on the basis of prices

SHRI NITISH KUMAR (Barh) Without going in to the issue raised by the hon Member who put the main question, I would like to know that while the debate on it was going on a few days ago, we demanded that the Mines and Minerals Development Act 1957 should be amended I want to know as to whether Government will amend the Mines and Minerals Development Act, 1957? Will it also be considered in it to give rights to the States Governments to compose cess? As the rate of royalty has been fixed on the basis of weight and not on the basis of prices the major mineral producing States, Bihar, Orissa and Bengal have to suffer Bihar has borne the loss of Rs 350 crores but those States which are producing less have gained due to this rate of royalty Is the right to impose cess by the States to cover this loss proposed to be included in it?

SHRI BALRAM SINGH YADAV I have already made it clear that the major minerals and the scheduled minerals are of national importance Therefore it is not wise to give rights to the States If we give rights to the States, then the rates in different States will be ranging from one hundred to two hundred rupees (*Interruptions*)

SHRI NITISH KUMAR The Bihar Government has written that the amount of cess will be determined after the discussion with the Centre Therefore the answer of Hon Minister is not correct (*Interruptions*) An s wer in incomplete

SHRI BALRAM SINGH YADAV The States cannot be permitted to impose cess (Interruptions)

[*English*]

SHRI SRIKANTA JENA This is a very serious matter Why are you not giving the powers to the states on this issue? (Interruptions)

DR KRUPASINDHU BHOI Sir, the mines and minerals are the national property I would like to congratulate the hon Minister because he going to bring forward a comprehensive legislation to amend the Mines and Minerals (Regulation and Development) Act, 1957 He is going to change it The Act which is already there is going to be changed It is a feudal Act Further, while giving the prospecting licences and mining licences generally the experience is that it is given to the multi millionaires because of their chronic experience So, they are given preference If you change it and give it to co-operative societies and mining graduates, they will get it At the time of amendment of this Act, will you consult the technocrats, meteorologists and mining engineers to for mulate it? At the same time, the hon Members from the Opposition are not asking for the imposition of Cess Cess cannot be imposed by the State Governments They are asking for the royalty

MR SPEAKER Time is very short Please look at the watch

DR KRUPASINDHU BHOI I would like to say that royalty should be fixed on ad *valorem* basis because the minerals are based in the *rhur* of the country Or less, the *rhur* of the country cannot be benefited and the other people will take the benefit De pending on this I would like to know from the hon Minister whether he will reply to my specific question to fix the royalty at the *ad valorem* price

[*Translation*]

SHRI BALRAM SINGH YADAV Sir I have already submitted that the *ad valorem* royalty cannot be fixed

SHRI SRIKANTA JENA Why can it not be fixed ad valoram?